



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Dennis M. Charles, Treasurer
Indiana Democratic Congressional
Victory Committee
One N Capitol Avenue, Suite 200
Indianapolis, IN 46204

JAN 23 2001

Identification Number: C00108613

Reference: October Quarterly Report (7/1/00-9/30/00)

Dear Mr. Charles:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A supporting Line 15 of your report discloses a payment(s) from a federal candidate committee(s) for goods and/or services provided by your committee. 11 CFR §100.7(a)(1)(iii)(A) states that "...the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel, membership lists and mailing lists. The term "usual and normal charge" for goods is defined as "...the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution". The usual and normal charge for services is defined as "...the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.7(a)(1)(iii)(B)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided to the federal candidate committee(s) and explain the steps your committee took in determining the amount(s) charged. If your committee provided the goods and/or services at less than the usual and normal charge, the difference between the two is considered to be an in-kind contribution by your committee to the federal

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candidate committee(s) and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.7(a)(1)(iii)(A))

-The total listed on Line 31, Column B of the Detailed Summary Page appears to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B total. Please amend your report and any subsequent reports that may be affected by this correction.

-Please provide a Schedule F to support the entry reported on Line 25 of the Detailed Summary Page. Any coordinated expenditure made by a national, state or designated party committee must be itemized on Schedule F regardless of the amount expended. 11 CFR §104.3(b)(3)(viii) and 2 U.S.C. §434(b)(5)(D)

-Your report discloses Memo Schedule A's totaling \$18,411.95 from the State Party Democratic Victory Fund. However, there are no corresponding transfers-in from this committee disclosed on Schedule A supporting Line 12 of the Detailed Summary Page. Please clarify this apparent discrepancy.

-Your EVENT YEAR-TO-DATE calculations for Administrative/Voter Drive are incorrect. EVENT YEAR-TO-DATE totals for administrative and voter drive costs are derived by aggregating all disbursements during the calendar year for the whole Administrative/Voter Drive category. EVENT YEAR-TO-DATE totals for fundraising, direct candidate support, and exempt activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous EVENT YEAR-TO-DATE total for that category or event. This running EVENT YEAR-TO-DATE total should be disclosed after each disbursement is listed. Please amend your report by providing the correct EVENT YEAR-TO-DATE totals.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B and H4 of your report to clarify the following description(s): "Reimbursement", "Reimburse", "Reimbursements", "Consulting", "Consultant" and "Donation/IDEA 2000". For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

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-Schedule A supporting Line 11(b) discloses a transfer(s)-in from the Democratic Congressional Campaign Committee and Democratic National Committee. Schedule H4 supporting Line 21(a) reflects payments for exempt activities. Please be advised that a state or local party committee may pay for campaign materials (such as bumper stickers) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from commercial lists); all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §100.7(b)(15) and (17) and to the Campaign Guide for Party Committees.

Please clarify the nature of the transfer(s)-in and subsequent payments for the aforementioned disbursement(s). If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B or F supporting Line 23 or 25 of the Detailed Summary Page as appropriate

-Please clarify all expenditures made for "Newspaper Ads", "Media Buy" and "Convention Media" on Schedule(s) H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E or F supporting Lines 23, 24 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Your report disclosed certain categories of financial activity that have been reflected on the wrong lines of the Detailed Summary Page. Receipts from candidate committees and receipts from affiliated committees should be properly disclosed on a separate Schedule(s) A, supporting Line(s) 11(c) and 12 of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

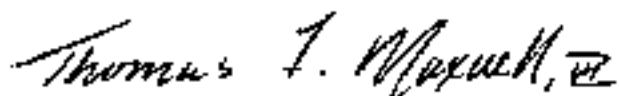
A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days

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of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,

A handwritten signature in cursive script that reads "Thomas F. Maxwell, III". The signature is written in dark ink and is positioned above the typed name.

Thomas F. Maxwell, III
Reports Analyst
Reports Analysis Division

